

A Will is one of the most important documents an individual can prepare. It has serious implications both financially and socially and may cover matters such as funeral arrangements, guardianship and legacies as well as who will inherit a person's financial estate.

The entire estate of a person who is domiciled in Cyprus will be subject to the law of Cyprus.

Only the immovable property in Cyprus of a person who is not domiciled in Cyprus will be subject to the law of Cyprus.

Domicile is a complex area of law and expert advice should be sought as to what a person's country of domicile is. Broadly speaking, every person initially has a "domicile of birth" and this will remain their country of domicile until actively changed to a "domicile of choice." In order to make Cyprus a person's "domicile of choice," he/she must show that they are permanently resident in Cyprus *and* that they have the intention to remain in Cyprus for the rest of their days.

Domicile not only has an impact on whether Cyprus succession law applies, but also inheritance tax. There is no estate duty payable in Cyprus for Cyprus domiciles. Note, however, that domiciles of other jurisdictions may still be liable to pay inheritance tax in their country of domicile.

#### Who Can Make A Will

In Cyprus it is only possible for a person who (or whose father) was born in the UK or in a Commonwealth country to make a Will to determine who will inherit their entire estate in Cyprus.

#### If You Need To Make A Will in Cyprus

If your assets can pass by Will in Cyprus then you should be aware that the formalities of a Will in Cyprus are different to the formalities in the UK and any other country. Great care must be taken in drafting such a document in order to ensure that the new Cyprus Will does not unintentionally revoke any other pre-existing Will dealing with assets in another jurisdiction. Our team experienced in Wills drafting can draft all appropriate documents for you and will ensure that all formalities are complied with, including registration, payment of applicable duties etc.

### If You Do Not Make A Will in Cyprus

If a person is not able to make a Cyprus Will dealing with their entire estate, or if they are able to do so but decide not to, then the assets subject to the Cyprus Succession law and will pass according to the "forced heirship" rules.

Cyprus has a fairly complicated system of inheritance which effectively reserves a certain portion of the estate which must pass according to the rules. The portion which passes according to the forced heirship system depends on the surviving relatives of the deceased.

The estate will be divided into two sections:

- the disposable section; and
- the compulsory section

The disposable section is the amount that can be passed by Will. This will be between a quarter and a half of the estate if there are certain surviving relations still alive (the exact proportion depends on which relatives are still alive at the time of death). Under the Cyprus rules if a person dies leaving no spouse, no child, no descendant of a child, no mother and no father then they can pass the whole of their estate by Will.

The compulsory section will pass according to the forced heirship rules. Once again the exact division of the estate depends on who the surviving relations are.

The most common scenario is for the deceased to leave behind a spouse and children. In such a case, only  $\frac{1}{4}$  of the estate can pass by Will. Under the Succession Laws, the rest will pass in equal shares to the spouse and children, this includes the matrimonial home.

If you are not entitled to make a Will dealing with your entire estate in Cyprus there are alternative estate planning devices, including trusts and gifts, which our team can advise you on.

### English Wills

Our team of experts can also review existing English Wills in order to check their appropriateness and where necessary advise on inheritance tax planning and draft new English Wills if required.



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